

Medicare Prescription Drug Benefit Manual
Chapter 3 – Eligibility, Enrollment, and Disenrollment
Summary of Updates – August 2009

Chapter Section	Update
Throughout Document	<ol style="list-style-type: none"> 1. General correction of typos, syntax, verb tense changes, etc. 2. Added references to new model exhibits 3. Updated references to years in examples where appropriate
10.2	<ol style="list-style-type: none"> 1. Added language clarifying definition of “incarcerated.” 2. Added reference to §40.2.1
10.4	Added language allowing use of Code 62 to resolve Code 127 transactions.
10.5	Added section 10.5, “Passive Enrollment by CMS.”
20.3.1	<ol style="list-style-type: none"> 1. Added language indicating that SEP is not necessary to disenroll beneficiaries from a plan for moving out of the plan’s service area as such is involuntary disenrollment. 2. Clarified that the SEP for a change of residence allows enrollment elections only.
20.3.4	<ol style="list-style-type: none"> 1. Removed direct reference to timeframes and replaced with general reference to correspond to changes in other guidance. 2. Clarified that resulting SEP allows Feb 1 effective date only when enrollment request is made in January.
20.3.8 (#7)	Clarified that SSA sends notification of loss of LIS.
20.3.8 (#13)	Removed SEP language as it was redundant with another entry.
30	Changed language regarding process for plan-submitted rollover transactions such that plans must have CMS approval and must wait for further instructions in the Fall of every year.
30.1.2	Clarified that online enrollment, other than CMS OEC, is limited to sponsor’s website and that enrollment through broker enrollment websites is not permitted.
30.1.3	Added language indicating to planned requirements for 2011.
30.1.4 Intro	Added reference to P-10 demonstration for retroactive coverage and prospective enrollments.
30.1.4.A.2	<ol style="list-style-type: none"> 1. Clarified exclusion of “other LIS eligibles” from facilitated enrollment unless individual is enrolled in an MSA or an MA-only PFFS plan. 2. Added language indicating that CMS will direct MAOs to facilitate enrollment of “other LIS eligibles” into an MA-PD offered by the same organization.
30.1.4.B	NEW SECTION! Added section describing qualifications for PDPs to receive auto/facilitated enrollments. Listed the three criteria for qualifying: basic coverage; premium at or below LIS premium subsidy amount in region; and meet requirements critical for ensuring effective enrollment of dual eligibles in August 31, 2006, guidance.
30.1.4.C	<ol style="list-style-type: none"> 1. Restructured section and clarified CMS will identify PDPs that qualify to receive auto/facilitated enrollments. 2. Clarified that CMS will create a code 61 transaction for each auto/facilitated enrollment and submit to MARx. 3. Added language clarifying that CMS does not maintain phone numbers for beneficiaries. 4. Added language notifying sponsors that auto/facilitated enrollment may occur daily.
30.1.4.D	<ol style="list-style-type: none"> 1. Clarified that effective January 1, 2010, all auto/facilitated enrollments will have a prospective effective date. 2. Clarified that, for retroactive coverage for duals and SSI-only individuals, CMS will auto/facilitate enrollment into the demonstration contractor.

30.1.4.E	Added language describing notice full duals with RDS will receive regarding passive declination of Part D.
30.1.4.H	New section to describe revised policy on auto-enrollment of full benefit duals with RDS
30.1.5.A	<ol style="list-style-type: none"> 1. Updated reassignment population section to reference continued eligibility for 100% premium subsidy in 2010. 2. Clarified that individuals were originally enrolled by CMS into their current PDP through auto/facilitated enrollment or CMS reassignment. 3. Clarified that beneficiaries enrolled in MA or PACE plans are not reassigned, regardless of change in Part D premium or benefit package. 4. Clarified that that reassignment typically is run on a single day in early October of each year and CMS reassigns beneficiaries meeting the criteria as of that day. CMS does not subsequently sweep for individuals who meet the criteria at a later point.
30.1.5.B	<ol style="list-style-type: none"> 1. Added new section entitled “‘Losing’ PDPs” which clarifies the difference between plans actually terminating and those cross-walking to another PDP. 2. New section also contains language noting that CMS account managers will contact losing plans in September to confirm they will lose beneficiaries under reassignment.
30.1.5.C	<ol style="list-style-type: none"> 1. Clarified the reassignment process regarding how CMS attempts to reassign beneficiaries within the same organization wherever possible. 2. Added language describing how CMS sends a preliminary file to gaining and losing plans in mid-October to identify beneficiaries receiving the blue letters, and then a final confirmation in November when the reassignment process occurs each year. 3. Added a special note to PDPs that beneficiaries are not always assigned to a gaining plan in the same region as the losing plan since CMS uses updated State data to determine beneficiary residence.
30.1.5.D	Added language distinguishing which ANOC losing plan will send depending on whether beneficiary is being reassigned to another plan within the same organization or a different PDP sponsor.
30.1.5.E	<ol style="list-style-type: none"> 1. Deleted previous section on plans that keep LIS assignees as section was about reassignment. Renumbered sections. 2. Clarified that the new enrollment should be no earlier than November 15th of the current year with an election type of “S” and an effective date of January 1st of the following year. 3. Clarified that re-enrollment transaction will reject if submitted prior to the reassignment confirmation.
30.2 (E)	Removed exception regarding Part D payment demonstrations
30.2 (I)	Clarified that postmark is irrelevant to determine “application date” of enrollment requests received by mail
30.2.2	Removed limitation that code 62 may only be used in this situation.
30.4.1	<ol style="list-style-type: none"> 1 Clarified that a copy of the completed enrollment form is required for paper enrollment requests upon request. 2. Added language indicating that organization must be able to track enrollment requests received via internet and must provide beneficiary means for doing so as well. 3. Added language clarifying that the Part D late enrollment penalty is part of the plan premium.
30.4.2	Removed language referencing the 45 day timeframe for follow-up and replaced it with reference to “the timeframes provided in the Standard Operating Procedures for the CMS Retroactive Processing Contractor.”
30.5	Clarified CMS’ designee as “the CMS Retroactive Processing Contractor.”
40.1.1	Clarified that online disenrollment is limited to sponsor’s website; e-mail & broker websites are not acceptable.
40.1.4	Added new reason for denying a voluntary disenrollment request: request incomplete & required/requested info not provided.
40.1.5	Added clarifying language indicating disenrollment notice not necessary for disenrollments due to PBP changes.

40.2	Added plan renewal as Part D payment demonstration plan to list of reasons for involuntary disenrollment
40.2.1.2	Clarify that the disenrollment effective date is the first of the month following the sponsor's confirmation of a current incarceration.
40.2.1.3	Clarified that sponsor has ten days to contact member upon receiving notification that a member may reside outside of the sponsor's service area.
40.2.1.4	Clarified that sponsor must confirm that member has permanently moved out of the service area.
40.3.1	<ol style="list-style-type: none"> 1. Clarified that the Part D late enrollment penalty is part of the plan premium 2. Added language indicating that "payment of past due premiums after the disenrollment date does not create an opportunity for reinstatement into the plan...." 3. Clarified that grace periods must be whole number of calendar months 4. Added language clarifying rollover approach to disenrollments for failure to pay premiums, including receipt of partial payments. 5. Added language indicating plans' actions when beneficiaries delinquent in premium payment send in partial payments. 6. Removed language addressing timeframe for plans to notify members of policy changes. This policy is not changing, but it is part of a different guidance document.
40.4.2	Established timeframe of 10 days for plan to send notice requesting more information to process disenrollment request.
40.6	<ol style="list-style-type: none"> 1. Changed language to apply when a contract between an MAO & an employer/union is terminated by either party. 2. Clarified that sponsors can choose either disenrollment option when a contract with an employer/union is terminated, but that the option to be used must be clearly delineated in the contract and must be applied consistently within that employer/union sponsored plan.
50.2	<ol style="list-style-type: none"> 1. Added language establishing that plans must send the notice advising members to continue using plan services within 10 days of member reporting erroneous disenrollment. 2. Added language indicating that paying past due premiums after having been disenrolled for failure to pay same does not create an opportunity for reinstatement into the plan from which the individual was disenrolled.
50.2.1	<ol style="list-style-type: none"> 1. Added language indicating that when a member who was erroneously disenrolled requests reinstatement, the member's benefits must be reinstated immediately regardless of whether or not the member has provided proof of the disenrollment being erroneous. 2. Removed requirements of sending to CMS a copy of TRR, copy of disenrollment letter, copy of correspondence from member, and proof that disenrollment was erroneous for processing reinstatement.
50.2.2	<ol style="list-style-type: none"> 1. Clarified that plans must reinstate members' benefits immediately upon notice that a disenrollment was in error. 2. Reduced documentation requirements that plans must collect for submission to CMS.
50.3	<ol style="list-style-type: none"> 1. Changed language to indicate retro enrollment requests "may" rather than "will" be denied if sponsor did not notify member to use plan services. 2. Clarified that retroactive disenrollments must be submitted "within the timeframes provided in the Standard Operating Procedures for the CMS Retroactive Processing Contractor." 3. Changed language indicating what plans must submit to request a retroactive enrollment. 4. Removed "and only in these cases" to account for change to use of Code 62 transaction.
50.5	Clarified that retroactive disenrollments must be submitted "within the timeframes provided in the Standard Operating Procedures for the CMS Retroactive Processing Contractor."
50.7	Corrected definitions of TRCs 704 – 707.
Appendix 1	1. In entry regarding Exhibit 28 (Model Notice for Auto and Facilitated Enrollees Who Permanently Reside...), changed timeframe

	<p>to “10 calendar days of confirmation that individual does not reside in region” and reference to 40.2.1.4.</p> <ol style="list-style-type: none"> Added references to new exhibits. Removed references obsolete due to entries for new exhibits.
Appendix 2	<ol style="list-style-type: none"> Added as required data element the option to request materials in language other than English and in other formats Removed Social Security number field as it was removed from exhibit(s) as well.
Appendix 3	Corrected section reference for roll-over transactions.
Exhibits	<ol style="list-style-type: none"> Changed language in model notices to plain language per OEA; this included changing the order of some paragraphs. Added the following language to appropriate exhibits: “People with limited incomes may qualify for extra help to pay for their prescription drug costs. If eligible, Medicare could pay for 75% or more of drug costs including monthly prescription drug premiums, annual deductibles, and co-insurance. Additionally, those who qualify will not be subject to the coverage gap or a late enrollment penalty. Many people are eligible for these savings and don’t even know it. For more information about this extra help, contact your local Social Security office or call 1-800-MEDICARE (1-800-633-4227), 24 hours per day, 7 days per week. TTY/TDD users should call 1-877-486-2048.”
Exhibit 1	<ol style="list-style-type: none"> Added language to start of document directing beneficiary to contact plan for materials in other formats or languages. Removed Social Security number field. Added optional field for alternate phone number.
Exhibit 1a	Added date fields for some elements for which an effective date would be significant.
Exhibit 2b	Added alternate LEP text.
Exhibit 4	Added alternate LEP text.
Exhibit 6	Added denial reason: [You have drug coverage from your employer or union and you told us you do not want to join <PDP name>.]
Exhibit 7	Added language addressing enrollment periods.
Exhibits 10, 10a, & 13	Added language advising members what to do if they were having their premium deducted from their SSA benefit payments.
Exhibit 13a	Added language addressing refund of premiums paid for months after effective date of disenrollment.
Exhibit 14	Added language encouraging recipient of letter to contact plan if information in letter is incorrect.
Exhibits 15, 16, 17, & 23	Added language directing recipient of letter to use plan resources to find network pharmacies.
Exhibits 21 & 32	Added language addressing reconsideration/grievances.
Exhibit 22	Added language cautioning recipient of letter to obtain creditable coverage or have a late enrollment penalty on future enrollments.
Exhibits 25 & 26	Deleted reference to LEP for LIS individuals declining or opting out of Part D. Also deleted reference to enrollment being limited to only certain times of year.
Exhibit 27	<ol style="list-style-type: none"> Second paragraph changed to direct the individual to contact the <PDP name> at the number provided at the end of the letter – old text at the end of the letter provided the number for 1-800-Medicare. Deleted reference to LEP for LIS individuals declining or opting out of Part D.
Exhibit 33	NEW! PDP Model Notice to Research Potential Out of Area Status
Exhibit 34	NEW! PDP Model Notice for Disenrollment Due Out of Area Status (No Response to Request for Address Verification)
Exhibit 35	NEW! PDP Notice of Disenrollment Due to Out of Area Status (Upon New Address Verification from Member)